

# State of California

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**Legislative Change No.****99-26**Bill Number: AB 41Author: WessonChapter Number: 99-463

Laws Affecting Franchise Tax Board:

Section 19041.5 of the Revenue and Taxation Code.Date Filed with the Secretary of the State: September 23, 1999SUBJECT: Cash Bond Payments/Claim for Refund

**Assembly Bill 41 (Wesson), as enacted on, September 23, 1999, made the following changes to California law:**

Added Section 19041.5 to the Revenue and Taxation Code to allow a taxpayer to make a deposit in the nature of a "cash bond" to stop the running of interest on a deficiency assessment (codifying current practice). Such payments would not be considered a "payment of tax" for purposes of filing a claim for refund or bringing an action until either (1) the taxpayer provides a written statement to the Franchise Tax Board specifying that the deposit shall be a payment of tax, or (2) the deficiency assessed is final, FTB has issued a notice and demand, and the deficiency assessed is due and payable.

This act is effective January 1, 2000, and would apply to payments made on or after that date.

This act will not require any reports by the department to the Legislature.

Bureau Director

Johnnie Lou Rosas

Date

09/30/1999